THE HONORABLE MARC L. BARRECA

FILED
Western District of Washington
at Seattle

AUG 31 2012

MARK L. HATCHER, CLERK
OF THE BANKRUPTCY COURT

THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re

ADAM R. GROSSMAN

Case No. 10-19817

DECLARATION OF
ADAM R. GROSSMAN
VOLUME I OF X

COMES Now Adam R. Grossman to the Court and makes the following Declaration Volume I of X under penalty of perjury under the laws of the State of Washington:

1. I am a citizen of Washington and a resident of King County.
2. I am over the age of 18.
3. I have personal knowledge regarding the facts set forth in this declaration.
4. I have an MBA from the Wharton School of Business.
5. I am not a certified public accountant.

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6. The Tanager Fund LP ("Fund") traded broad-based, equity index options on the Chicago Board Options Exchange from 2006 to 2010.

7. The Fund offered securities filed with the SEC under Regulation D, §504 and §505.

8. During the years 2006-2010, I served as the Director of Trading and Strategy.

9. During the years 2006-2010, Jeffery Bernstein served as President and Secretary.

10. During these years, I maintained the general ledger for financial transactions including all partner contributions and partner redemptions.

11. During these years, I worked with the accounting firm Petersen Sullivan PLLC, of Seattle, WA, for the purposes of assisting with audits, assisting in the preparation of financial statements, and assisting in the preparation and filing of partnership income tax returns.

12. During these years, both I and Jeffrey Bernstein processed partner contributions and partner distributions in the ordinary course of business.

13. According to the 2009 tax returns prepared by Petersen Sullivan PLLC and signed by President Jeffrey Bernstein, the number of capital units owned by me and my then wife Jill Borodin, separate or community, direct or indirect, excluding modest and immaterial accounts held in trust for the children, on January 1, 2010, totaled 170,637 representing a value of approximately $225,399.

14. I believe the 2009 tax returns and financial statements are accurate and correct.

15. I am personally familiar with the partner contributions and partner distributions that occurred during 2010.

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16. Between January 1, 2010, and May 20, 2010, there were no partner contributions or deposits of any kind as reflected in the general ledger or the bank/brokerage statements for the partnership.

17. In 2010, more than one person including Jill Borodin and her attorney agreed in advance to engage in conduct or cause the performance of such conduct and the attorney took substantial steps in pursuance of such an agreement to directly and indirectly by the use of a means or instrumentality of interstate commerce, or of the mails or through the Chicago Board Options Exchange, to employ a device, scheme, or artifice to defraud Tanager Fund LP investors; to make untrue statements of a material fact and omit to state and actively suppress material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and, to engage in acts, practices, or courses of conduct which operated or would operate as a fraud or deceit upon one or more persons in connection with the purchase or sale securities in the Tanager Fund LP.

18. Among the representations made by Jill Borodin through her attorney of a material fact that was untrue and known to be untrue by the speaker at the time it was made was the representation that Jill Borodin was entitled to receive between January 1, 2010, and May 20, 2010, partnership distributions of community property totaling in excess of $484,000 from the Tanager Fund LP.

19. Given the 2009 tax returns showing an ending balance on December 31, 2009, of 170,637 capital units representing a value of approximately $225,399 and no evidence from any source that contributions or deposits were made by any investor between January 1, 2010,

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and May 20, 2010, there is no possible accounting which legitimately could justify an entitlement of receiving $484,000 of partnership distributions using any conceivable accounting of partnership ownership or partner entitlement rights.

20. I consider such a representation to be false, inaccurate, and fraudulent.

21. As it pertains to the proceeds of sales from federally regulated securities under the jurisdiction of the SEC and subject to the Act as amended, I consider any person who purports that such an accounting is true and accurate with knowledge that it is false and fraudulent to be aiding and abetting federal securities fraud.

22. I wish to inform the trustee that I believe any reliance by the trustee on such false and fraudulent accounting, with knowledge of its false and fraudulent nature, would not only constitute aiding and abetting fraud, but would also constitute a breach of his fiduciary duty as trustee of my bankruptcy estate.

23. I am compelled to bring this to the trustee's attention because I believe that unless I raise this issue in these very specific terms I would be turning a blind eye to injustice and I would be avoiding my own fiduciary duties to protect the interests of the limited partners in the Tanager Fund LP who have been defrauded by these false and fraudulent representations.

24. I have provided this declaration to law enforcement officers.

25. 18 USC § 1513 ("Retaliating Against A Witness, Victim, Or An Informant") describes penalties designed to prevent the obstruction of justice by penalizing the retaliation against people who chose to provide to law enforcement officers truthful information relating to potential violations of federal securities laws:

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18 USC § 1513
(e) Whoever knowingly, with the intent to retaliate, takes any action harmful to any person, including interference with the lawful employment or livelihood of any person, for providing to a law enforcement officer any truthful information relating to the commission or possible commission of any Federal offense, shall be fined under this title or imprisoned not more than 10 years, or both.
(f) Whoever conspires to commit any offense under this section shall be subject to the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.

26. I consider the systematic effort by Jill Borodin, officers of the court, officers of the court acting in their official capacity, and potentially officers of the court acting in their official capacity on behalf of or at the behest of the U.S. Government to harm me, harm my children, prohibiting me from speaking to people I know in the State of Washington, to damage the reputation of my business which at all times has had balanced assets and liabilities as reported by Petersen Sullivan PLLC of Seattle, WA, and was never in any way a "Ponzi Scheme" until the day that Jill Borodin and her attorney agreed in advance to represent false and material information for the purpose of defrauding my clients and misappropriating client assets thus causing irreconcilable deficits between assets and client claims thereto, unsuccessful attempts soliciting me to commit bankruptcy crimes, to imprison me under false pretenses, to use my false imprisonment as an method of extorting money from my family, and claiming that I exhibit a pattern of a history of crimes of domestic violence while having not once ever been either arrested, charged, tried, or convicted of any crime in my life – let alone a single violent one ever – I can only conclude is an agreement made among more than one person in advance to retaliate against me, harm me, and interfere with my lawful livelihood solely because I have provided truthful

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information relating to the commission or possible commission SEC 10(b)-5 federal securities fraud violations to law enforcement officers for further investigation because of the losses they caused to my clients.

I declare under penalty of perjury under the laws of the State of Washington that the aforementioned statements are true and correct to the best of my knowledge. Signed in Seattle, WA, on August, 28, 2012.

A. Grossman

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U.S. BANKRUPTCY COURT
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